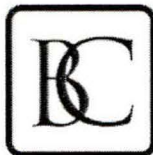


RECEIVED

JUN 04 2018

PUBLIC SERVICE
COMMISSION



BRIAN CUMBO

ATTORNEY AT LAW

86 W. Main St., Suite 100
P.O. Box 1844
Inez, KY 41224
(606) 298-0428
FAX: (606) 298-0316
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

May 30, 2018

Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Via Email & USPS

RE: Martin County Water District
PSC Case No. 2016-00142

To Whom It May Concern:

Enclosed please find original and six (6) copies of Martin Water District's Supplement Response to Requests for Information regarding the above matter.

Thank you for your attention to this matter.

Very truly yours,

BRIAN CUMBO

BC/ld
Enclosure

RECEIVED

JUN 04 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING)
CAPACITY OF MARTIN COUNTY WATER)
DISTRICT PURSUANT TO KRS 278.280)

CASE NO. 2016-00142

**MARTIN COUNTY WATER
DISTRICT'S SUPPLEMENTAL
RESPONSE TO PSC'S POST
HEARING REQUEST FOR
INFORMATION DATED
MAY 1, 2018**

CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing was emailed and mailed, postage paid, on this the 30 day of May, 2018, to the following:

Public Service Commission
P.O. Box 615
Frankfort, KY 40602
brittany.koenig@ky.gov

Hon. Mary Varson Cromer
Appalachian Citizens' Law Center, Inc.
317 Main Street
Whitesburg, KY 41858
mary@appalachianlawcenter.org

Hon. M. Todd Osterloh
Hon. James Wilson Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Ste. 1400
Lexington, KY 40507
tosterloh@sturgillturner.com
jameswilsongardner@gmail.com


BRIAN CUMBO

6. Provide an update with regard to the negotiations with the Prestonsburg City's Utilities Commission ("PCUC") for the lease and use of the Honey Branch Tank. Include any correspondence between PCUC and Martin District as well as any agreements or draft agreements.

RESPONSE: See attached correspondence to Prestonsburg City's Utilities Commission from Martin Water District dated May 30, 2018.

MARTIN COUNTY UTILITY BOARD

387 East Main Street Suite 140
INEZ, KY 41224

606-298-3885 OFFICE

606-298-4913 Fax

May 30, 2018

Turner Campbell
Superintendent/CEO
Prestonsburg City's Utilities Commission
2560 South Lake Drive
Prestonsburg, KY 41653

Re: Prestonsburg Offer to Purchase Honey Branch Pressure Zone Assets

Dear Mr. Campbell:

Thank you for your letter dated May 21, 2018 offering to purchase the assets of the Honey Branch pressure zone (storage tank, water mains, service lines and customers) for \$1.85 million. We understand your counter offer is in response to our letter dated May 11, 2018 establishing a selling price for these assets of \$5.0 million.

Our next Water District Board Meeting is scheduled for Tuesday June 5, 2018 and your offer will be presented to the Board for consideration. Our evaluation will include a review of your methodology in valuing the assets using a book value approach compared to a valuation based on revenue sharing as defined in the Joint Operating Agreement. We will contact you with a response to your counter offer following a full review by the Board.

Sincerely,



John Horn
Chair, Martin County Water District

Cc: Judge Executive Kelly Callahan
Martin County Water District Board
Kentucky Public Service Commission